



Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-257



HC/MC-130 Recapitalization Aircraft (HC/MC-130 Recap)

As of FY 2015 President's Budget

Defense Acquisition Management
Information Retrieval
(DAMIR)

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Common Acronyms and Abbreviations

Acq O&M - Acquisition-Related Operations and Maintenance
APB - Acquisition Program Baseline
APPN - Appropriation
APUC - Average Procurement Unit Cost
BA - Budget Authority/Budget Activity
BY - Base Year
DAMIR - Defense Acquisition Management Information Retrieval
Dev Est - Development Estimate
DoD - Department of Defense
DSN - Defense Switched Network
Econ - Economic
Eng - Engineering
Est - Estimating
FMS - Foreign Military Sales
FY - Fiscal Year
IOC - Initial Operational Capability
\$K - Thousands of Dollars
LRIP - Low Rate Initial Production
\$M - Millions of Dollars
MILCON - Military Construction
N/A - Not Applicable
O&S - Operating and Support
Oth - Other
PAUC - Program Acquisition Unit Cost
PB - President's Budget
PE - Program Element
Proc - Procurement
Prod Est - Production Estimate
QR - Quantity Related
Qty - Quantity
RDT&E - Research, Development, Test, and Evaluation
SAR - Selected Acquisition Report
Sch - Schedule
Spt - Support
TBD - To Be Determined
TY - Then Year
UCR - Unit Cost Reporting

Program Information

Program Name

HC/MC-130 Recapitalization Aircraft (HC/MC-130 Recap)

DoD Component

Air Force

Responsible Office

Responsible Office

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Date Assigned July 18, 2012

References

SAR Baseline (Production Estimate)

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated March 29, 2010

Approved APB

Air Force Acquisition Executive (AFAE) Approved Acquisition Program Baseline (APB) dated October 7, 2013

Mission and Description

The HC/MC-130 Recapitalization Aircraft (HC/MC-130 Recap) will replace the HC-130P/N tanker aircraft that currently support Personnel Recovery. These tankers are currently operated by active duty Air Reserve Components. The MC-130 Recap aircraft will replace the legacy MC-130P/E tanker aircraft currently operated by the Air Force Special Operations Command. Most of these aircraft are more than 35 years old and are burdened by multiple unique aircraft configurations. These multiple configurations create significantly increased maintenance and sustainment challenges.

The primary mission of the HC/MC-130J aircraft will be to provide aerial refueling support to the respective component commanders. In addition to the specialized air refueling support to mission-unique receiver aircraft, the aircraft can provide a specialized mobility capability to position, supply, re-supply and recover specialized ground tactical units.

The HC/MC-130J is a medium size tanker that can transport airmen for infiltration and exfiltration operations. It is also an in-flight refueling receiver, which extends its combat mission and/or increases the amount of fuel available for offload to receivers. The HC/MC-130J incorporates state-of-the-art technology to reduce manpower requirements, lower operating cost and provide life-cycle cost savings over earlier C-130 models. The HC/MC-130J model climbs faster and higher, flies farther at a higher cruise speed and can take off and land in a shorter distance.

Executive Summary

The HC/MC-130 Recap Program successfully delivered 7 MC-130Js and 5 HC-130Js during 2013 calendar year. As of December 31, 2013, 31 aircraft have been delivered (11 HC-130Js and 20 MC-130Js, which includes 1 MC-130J for conversion to an AC-130J).

In April 2013, Director of Operational Test and Evaluation issued a positive Beyond LRIP for the program. This report was integral to a successful Full Rate Production (FRP) Decision brief to the Milestone Decision Authority in late April 2013. After document finalization, the program formally entered FRP on October 4, 2013.

Operational highlights for 2013 include Air Combat Command declaring IOC for the HC-130J on April 25, 2013, approximately four months after the Air Force Special Operations Command declared IOC for the MC-130J. Additionally, two new operational locations, Royal Air Force Station Mildenhall, United Kingdom, and Moody Air Force Base, Georgia were activated.

Of final note, the program garnered the Office of the Secretary of Defense David Packard Excellence in Acquisition Award for 2013.

There are no significant software-related issues with this program at this time.

Threshold Breaches

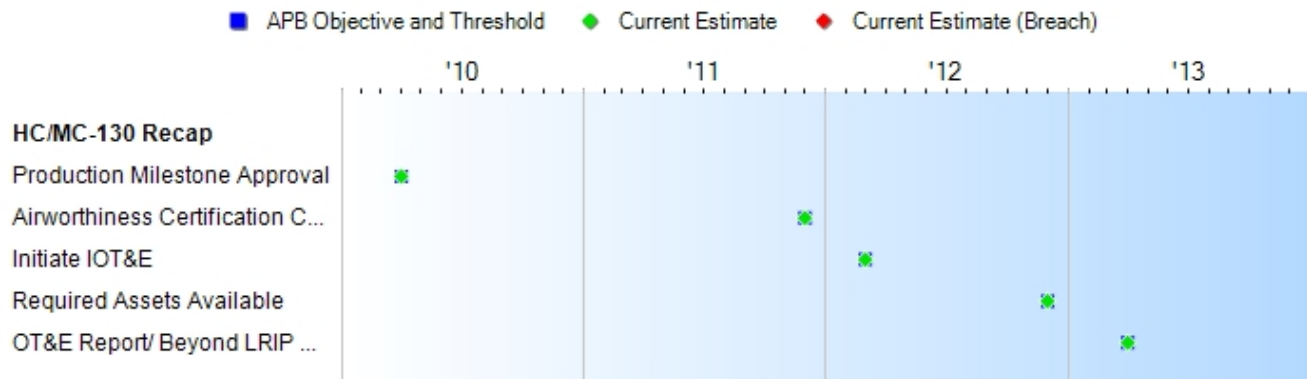
APB Breaches

| | | |
|---------------------|-------------|--------------------------|
| Schedule | | <input type="checkbox"/> |
| Performance | | <input type="checkbox"/> |
| Cost | RDT&E | <input type="checkbox"/> |
| | Procurement | <input type="checkbox"/> |
| | MILCON | <input type="checkbox"/> |
| | Acq O&M | <input type="checkbox"/> |
| O&S Cost | | <input type="checkbox"/> |
| Unit Cost | PAUC | <input type="checkbox"/> |
| | APUC | <input type="checkbox"/> |

Nunn-McCurdy Breaches

| | | |
|------------------------------|------|------|
| Current UCR Baseline | | |
| | PAUC | None |
| | APUC | None |
| Original UCR Baseline | | |
| | PAUC | None |
| | APUC | None |

Schedule



| Milestones | SAR Baseline Prod Est | Current APB Production Objective/Threshold | | Current Estimate |
|---|--------------------------|--|----------|---------------------|
| Production Milestone Approval | FEB 2010 | APR 2010 | APR 2010 | APR 2010 |
| Airworthiness Certification Complete | JAN 2012 | DEC 2011 | DEC 2011 | DEC 2011 |
| Initiate IOT&E | MAR 2012 | MAR 2012 | MAR 2012 | MAR 2012 |
| Required Assets Available | DEC 2012 | DEC 2012 | DEC 2012 | DEC 2012 |
| OT&E Report/ Beyond LRIP Report Approved | DEC 2012 | APR 2013 | APR 2013 | APR 2013 |

Change Explanations

None

Acronyms and Abbreviations

IOT&E - Initial Operational Test and Evaluation

OT&E - Operational Test and Evaluation

Performance

| Characteristics | SAR Baseline Prod Est | Current APB Production Objective/Threshold | | Demonstrated Performance | Current Estimate |
|---|--|--|---|---|---|
| Simultaneous air refueling (CSAR and SOF receivers) | While in flight, refuel full range of DoD probe equipped aircraft: rotary-wing, fixed-wing, and tilt rotor. | While in flight, refuel full range of DoD probe equipped aircraft: rotary-wing, fixed-wing, and tilt rotor. | While in flight, simultaneously provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22. | While in flight, simultaneously provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22. | While in flight, simultaneously provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22. |
| Net-ready | Fully support execution of all operational activities and must satisfy technical requirements for transition to Net-Centric military operations. | Fully support execution of all operational activities and must satisfy technical requirements for transition to Net-Centric military operations. | Fully support execution of joint critical operational activities and must satisfy technical requirements for transition to Net-Centric military operations. | Fully support execution of joint critical operational activities and must satisfy technical requirements for transition to Net-Centric military operations. | Fully support execution of joint critical operational activities and must satisfy technical requirements for transition to Net-Centric military operations. |
| Survivability (IR Signature) | In a single engagement, weapon system shall be able to defeat, 90% of time, specific IR threat. | In a single engagement, weapon system shall be able to defeat, 90% of time, specific IR threat. | In a single engagement, weapon system shall be able to defeat, 70% of the time, a specific IR threat. | In a single engagement, weapon system shall be able to defeat, 70% of the time, a specific IR threat. | In a single engagement, weapon system shall be able to defeat, 70% of the time, a specific IR threat. |
| Survivability (Threat warning) | Provide warning for EO/IR and RF threats and equivalent capability | Provide warning for EO/IR and RF threats and equivalent capability | Provide warning for EO/IR and RF threats. | Provide warning for EO/IR and RF threats. | Provide warning for EO/IR and RF threats. |

| | | | | | |
|--|--|--|--|--|--|
| | described in the LAIRCM ORD and the ASACM CDD, respectively. | described in the LAIRCM ORD and the ASACM CDD, respectively. | | | |
| Survivability (Flight critical damage tolerance) | Greater levels of ballistic hardening/tolerance are desired and should be incorporated, if achievable, without significant aircraft performance or cost penalties. | Greater levels of ballistic hardening/tolerance are desired and should be incorporated, if achievable, without significant aircraft performance or cost penalties. | Must withstand flight critical damage with 95% probability of survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes. | Must withstand flight critical damage with 95% probability of survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes. | Must withstand flight critical damage with 95% probability of survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes. |
| Force Protection (Crew Protection) | Cargo compartment positions should be protected against a single 7.62mm ball projectile at 100m, with less than 3% increase in operating weight. | Cargo compartment positions should be protected against a single 7.62mm ball projectile at 100m, with less than 3% increase in operating weight. | Primary crewmember positions and oxygen supplies must be protected against a single 7.62mm ball projectile at 100m. | Primary crewmember positions and oxygen supplies must be protected against a single 7.62mm ball projectile at 100m. | Primary crewmember positions and oxygen supplies must be protected against a single 7.62mm ball projectile at 100m. |
| Materiel Availability (Sustainability) | 80% average monthly AA rate, 89% average monthly MC rate; from 25 to 30 months after both MAJCOMs declare IOC. | 80% average monthly AA rate, 89% average monthly MC rate; from 25 to 30 months after both MAJCOMs declare IOC. | 76% average monthly AA rate, 85% average monthly MC rate; from 25 to 30 months after both MAJCOMs declare IOC. | During IOT&E, the aircraft met the 76% AA rate, and the 85% average monthly MC rate. | Average monthly AA rate is 88.64% for HC-130J and 85.20% for the MC-130J. The average monthly MC should be 85%; from |

(Ch-1)

| | | | | | |
|--|--|--|--|--|---|
| | | | | | 25 to 30 months after both MAJCOMs declare IOC. AFSOC declared IOC in December 2012. ACC declared IOC in April 2013. Effective January 2014, the MC rate for HC-130J is 88.93% and the MC rate for the MC-130J is 95.22%. |
|--|--|--|--|--|---|

Requirements Source

Capability Production Document (CPD) dated August 13, 2009

Change Explanations

(Ch-1) The Materiel Availability (Sustainability) current estimate was changed to support the latest report January 2014 rates; in particular the AA rate changed from 81.8% to 88.64 (HC-130J) and 85.6% to 85.2% (MC-130J) due to the latest report dated January 2014 and the average MC rate changed from 91.1% to 88.93% (HC-130J) and 89.6% to 95.22% (MC-130J) based on the latest January 2014 report.

Acronyms and Abbreviations

AA - Aircraft Availability
ACC - Air Combat Command
AFSOC - Air Force Special Operations Command
ASACM - Advanced Situational Awareness Countermeasures
CDD - Capability Development Document
CSAR - Combat Search And Rescue
EO/IR - Electro-Optical/Infrared
IOT&E - Initial Operational Test and Evaluation
IR - Infrared (missile threat)
LAIRCM - Large Aircraft Infrared Countermeasures
m - meter
MAJCOM - Major Command
MC - Mission Capable
mm - millimeter
ORD - Operational Requirements Document
RF - Radio Frequency
SOF - Special Operations Forces

Track to Budget

RDT&E

| Appn | BA | PE | | |
|-----------|----------------|---------------------------|----------|--------|
| Air Force | 3600 | 05 | 0604261F | |
| | Project | Name | | |
| | 5249 | Personnel Recovery System | (Shared) | (Sunk) |
| | Notes: | FY 2008 only | | |
| Air Force | 3600 | 05 | 0605278F | |
| | Project | Name | | |
| | 5249 | HC/MC130 Recap | | |

Procurement

| Appn | BA | PE | | |
|-----------|------------------|---|----------|--------|
| Air Force | 3010 | 02 | 0401132F | |
| | Line Item | Name | | |
| | C130J0 | C-130J | (Shared) | (Sunk) |
| | Notes: | FY 2008 Global War on Terror Supplemental Funding | | |
| Air Force | 3010 | 04 | 0207237F | |
| | Line Item | Name | | |
| | C130JA | AC-130 Recap | | (Sunk) |
| Air Force | 3010 | 02 | 0207224F | |
| | Line Item | Name | | |
| | C130JH | Combat Search and Rescue | | |
| Air Force | 3010 | 02 | 0207230F | |
| | Line Item | Name | | |
| | C130JM | MC-130 Recap | | |
| Air Force | 3010 | 05 | 0401134F | |
| | Line Item | Name | | |
| | HCMC00 | HC/MC-130 Modifications | | (Sunk) |
| Air Force | 3010 | 05 | 0207230F | |
| | Line Item | Name | | |
| | HCMC00 | HC/MC-130 Modifications | | |
| Air Force | 3010 | 05 | 0207224F | |
| | Line Item | Name | | |
| | HCMC00 | HC/MC-130 Modifications | | |
| Air Force | 3010 | 02 | 0207230F | |
| | Line Item | Name | | |
| | HMC130 | MC-130 Recap | | (Sunk) |

| | | | | |
|--------------|------|----|------------------|---|
| Air Force | 3010 | 02 | 0207224F | |
| | | | Line Item | Name |
| | | | HMC130 | Combat Search and Rescue (Sunk) |
| Air Force | 3010 | 05 | 0401134F | |
| | | | Line Item | Name |
| | | | LAIRCM | Large Aircraft Infrared Countermeasures (Shared) (Sunk) |
| Air Force | 3010 | 04 | 0207237F | |
| | | | Line Item | Name |
| | | | MC0130 | AC-130 Recap (Sunk) |
| Defense-Wide | 0300 | 02 | 1160429BB | |
| | | | Line Item | Name |
| | | | 2012C130J | AC/MC-130J (Sunk) |

MILCON

| Appn | | BA | PE |
|--------------|---------|----|-------------------------------------|
| Air Force | 3300 | 01 | 0207224F |
| | Project | | Name |
| | VARIOUS | | Combat Rescue and Recovery (Shared) |
| Defense-Wide | 0500 | 01 | 1140494BB |
| | Project | | Name |
| | VARIOUS | | USSOCOM (Shared) |

Cost and Funding

Cost Summary

Total Acquisition Cost and Quantity

| Appropriation | BY2009 \$M | | | BY2009 \$M | TY \$M | | |
|----------------|--------------------------|--|---------------------|------------|--------------------------|--|---------------------|
| | SAR Baseline Prod Est | Current APB Production Objective/Threshold | Current Estimate | | SAR Baseline Prod Est | Current APB Production Objective | Current Estimate |
| RDT&E | 148.0 | 147.6 | 162.4 | 145.4 | 154.3 | 160.2 | 156.8 |
| Procurement | 7436.0 | 12665.9 | 13932.5 | 12703.2 | 8054.2 | 14836.6 | 14691.6 |
| Flyaway | -- | -- | -- | 9865.2 | -- | -- | 11329.8 |
| Recurring | -- | -- | -- | 9748.7 | -- | -- | 11208.2 |
| Non Recurring | -- | -- | -- | 116.5 | -- | -- | 121.6 |
| Support | -- | -- | -- | 2838.0 | -- | -- | 3361.8 |
| Other Support | -- | -- | -- | 981.4 | -- | -- | 1124.3 |
| Initial Spares | -- | -- | -- | 1856.6 | -- | -- | 2237.5 |
| MILCON | 494.1 | 336.7 | 370.4 | 229.5 | 536.8 | 377.9 | 248.9 |
| Acq O&M | 0.0 | 0.0 | -- | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 8078.1 | 13150.2 | N/A | 13078.1 | 8745.3 | 15374.7 | 15097.3 |

Confidence Level for Current APB Cost 55% -

Cost is based on the HC/MC-130 Recap approved Service Cost Position, September 9, 2013.

The cost estimate represents the expected value, or mean, of the cost estimate distribution, and for both the Research, Development, Test and Evaluation (RDT&E) and production estimates, the confidence levels are approximately 55%. This portion of the estimate takes into consideration relevant risks, including ordinary levels of external and unforeseen events. It aims to provide sufficient resources to execute the program under normal conditions encountering average levels of technical, schedule, and programmatic risk and external influence.

| Quantity | SAR Baseline Prod Est | Current APB Production | Current Estimate |
|-------------|--------------------------|---------------------------|------------------|
| RDT&E | 0 | 0 | 0 |
| Procurement | 74 | 131 | 131 |
| Total | 74 | 131 | 131 |

Cost and Funding

Funding Summary

Appropriation and Quantity Summary FY2015 President's Budget / December 2013 SAR (TY\$ M)

| Appropriation | Prior | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | To Complete | Total |
|---------------|--------|--------|--------|--------|--------|--------|--------|-------------|---------|
| RDT&E | 84.7 | 2.6 | 7.5 | 24.2 | 28.2 | 4.7 | 4.9 | 0.0 | 156.8 |
| Procurement | 5072.8 | 1130.9 | 654.9 | 1712.4 | 1229.7 | 591.9 | 914.0 | 3385.0 | 14691.6 |
| MILCON | 224.9 | 0.0 | 0.0 | 24.0 | 0.0 | 0.0 | 0.0 | 0.0 | 248.9 |
| Acq O&M | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PB 2015 Total | 5382.4 | 1133.5 | 662.4 | 1760.6 | 1257.9 | 596.6 | 918.9 | 3385.0 | 15097.3 |
| PB 2014 Total | 4986.6 | 1189.8 | 688.9 | 1332.2 | 875.4 | 589.4 | 996.4 | 4148.9 | 14807.6 |
| Delta | 395.8 | -56.3 | -26.5 | 428.4 | 382.5 | 7.2 | -77.5 | -763.9 | 289.7 |

| Quantity | Undistributed | Prior | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | To Complete | Total |
|---------------|---------------|-------|--------|--------|--------|--------|--------|--------|-------------|-------|
| Development | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 0 | 53 | 10 | 6 | 16 | 12 | 6 | 7 | 21 | 131 |
| PB 2015 Total | 0 | 53 | 10 | 6 | 16 | 12 | 6 | 7 | 21 | 131 |
| PB 2014 Total | 0 | 49 | 10 | 6 | 13 | 8 | 6 | 8 | 31 | 131 |
| Delta | 0 | 4 | 0 | 0 | 3 | 4 | 0 | -1 | -10 | 0 |

Cost and Funding

Annual Funding By Appropriation

Annual Funding TY\$

3600 | RDT&E | Research, Development, Test, and Evaluation, Air Force

| Fiscal Year | Quantity | End Item Recurring Flyaway TY \$M | Non End Item Recurring Flyaway TY \$M | Non Recurring Flyaway TY \$M | Total Flyaway TY \$M | Total Support TY \$M | Total Program TY \$M |
|-----------------|----------|-----------------------------------|---------------------------------------|------------------------------|----------------------|----------------------|----------------------|
| 2008 | -- | -- | -- | -- | -- | -- | 13.0 |
| 2009 | -- | -- | -- | -- | -- | -- | 19.6 |
| 2010 | -- | -- | -- | -- | -- | -- | 18.4 |
| 2011 | -- | -- | -- | -- | -- | -- | 8.1 |
| 2012 | -- | -- | -- | -- | -- | -- | 15.1 |
| 2013 | -- | -- | -- | -- | -- | -- | 10.5 |
| 2014 | -- | -- | -- | -- | -- | -- | 2.6 |
| 2015 | -- | -- | -- | -- | -- | -- | 7.5 |
| 2016 | -- | -- | -- | -- | -- | -- | 24.2 |
| 2017 | -- | -- | -- | -- | -- | -- | 28.2 |
| 2018 | -- | -- | -- | -- | -- | -- | 4.7 |
| 2019 | -- | -- | -- | -- | -- | -- | 4.9 |
| Subtotal | -- | -- | -- | -- | -- | -- | 156.8 |

Annual Funding BY\$**3600 | RDT&E | Research, Development, Test, and Evaluation, Air Force**

| Fiscal Year | Quantity | End Item Recurring Flyaway BY 2009 \$M | Non End Item Recurring Flyaway BY 2009 \$M | Non Recurring Flyaway BY 2009 \$M | Total Flyaway BY 2009 \$M | Total Support BY 2009 \$M | Total Program BY 2009 \$M |
|--------------------|-----------------|---|---|--|--|--|--|
| 2008 | -- | -- | -- | -- | -- | -- | 13.1 |
| 2009 | -- | -- | -- | -- | -- | -- | 19.5 |
| 2010 | -- | -- | -- | -- | -- | -- | 18.1 |
| 2011 | -- | -- | -- | -- | -- | -- | 7.8 |
| 2012 | -- | -- | -- | -- | -- | -- | 14.3 |
| 2013 | -- | -- | -- | -- | -- | -- | 9.8 |
| 2014 | -- | -- | -- | -- | -- | -- | 2.4 |
| 2015 | -- | -- | -- | -- | -- | -- | 6.7 |
| 2016 | -- | -- | -- | -- | -- | -- | 21.3 |
| 2017 | -- | -- | -- | -- | -- | -- | 24.3 |
| 2018 | -- | -- | -- | -- | -- | -- | 4.0 |
| 2019 | -- | -- | -- | -- | -- | -- | 4.1 |
| Subtotal | -- | -- | -- | -- | -- | -- | 145.4 |

Annual Funding TY\$**3010 | Procurement | Aircraft Procurement, Air Force**

| Fiscal Year | Quantity | End Item Recurring Flyaway TY \$M | Non End Item Recurring Flyaway TY \$M | Non Recurring Flyaway TY \$M | Total Flyaway TY \$M | Total Support TY \$M | Total Program TY \$M |
|--------------------|-----------------|--|--|---|-------------------------------------|-------------------------------------|-------------------------------------|
| 2008 | 7 | 528.4 | -- | -- | 528.4 | 86.8 | 615.2 |
| 2009 | 13 | 866.2 | -- | 13.0 | 879.2 | 126.9 | 1006.1 |
| 2010 | 3 | 266.1 | 2.0 | -- | 268.1 | 184.7 | 452.8 |
| 2011 | 9 | 605.7 | 1.9 | -- | 607.6 | 177.1 | 784.7 |
| 2012 | 10 | 814.5 | 31.4 | -- | 845.9 | 215.4 | 1061.3 |
| 2013 | 11 | 899.7 | 73.1 | -- | 972.8 | 91.3 | 1064.1 |
| 2014 | 10 | 965.9 | 47.3 | -- | 1013.2 | 117.7 | 1130.9 |
| 2015 | 6 | 521.7 | 1.9 | -- | 523.6 | 131.3 | 654.9 |
| 2016 | 16 | 1248.0 | 23.4 | 10.0 | 1281.4 | 431.0 | 1712.4 |
| 2017 | 12 | 941.3 | 6.0 | 10.0 | 957.3 | 272.4 | 1229.7 |
| 2018 | 6 | 484.3 | 4.1 | -- | 488.4 | 103.5 | 591.9 |
| 2019 | 7 | 803.1 | 4.2 | -- | 807.3 | 106.7 | 914.0 |
| 2020 | 8 | 710.8 | -- | -- | 710.8 | 430.0 | 1140.8 |
| 2021 | 5 | 479.2 | -- | -- | 479.2 | 329.4 | 808.6 |
| 2022 | 5 | 493.6 | -- | -- | 493.6 | 339.3 | 832.9 |
| 2023 | 3 | 384.4 | -- | -- | 384.4 | 218.3 | 602.7 |
| Subtotal | 131 | 11012.9 | 195.3 | 33.0 | 11241.2 | 3361.8 | 14603.0 |

Annual Funding BY\$**3010 | Procurement | Aircraft Procurement, Air Force**

| Fiscal Year | Quantity | End Item Recurring Flyaway BY 2009 \$M | Non End Item Recurring Flyaway BY 2009 \$M | Non Recurring Flyaway BY 2009 \$M | Total Flyaway BY 2009 \$M | Total Support BY 2009 \$M | Total Program BY 2009 \$M |
|--------------------|-----------------|---|---|--|--|--|--|
| 2008 | 7 | 525.4 | -- | -- | 525.4 | 86.3 | 611.7 |
| 2009 | 13 | 846.8 | -- | 12.7 | 859.5 | 124.1 | 983.6 |
| 2010 | 3 | 255.2 | 1.9 | -- | 257.1 | 177.2 | 434.3 |
| 2011 | 9 | 571.4 | 1.8 | -- | 573.2 | 167.1 | 740.3 |
| 2012 | 10 | 755.8 | 29.1 | -- | 784.9 | 199.9 | 984.8 |
| 2013 | 11 | 814.2 | 66.2 | -- | 880.4 | 82.6 | 963.0 |
| 2014 | 10 | 858.3 | 42.0 | -- | 900.3 | 104.6 | 1004.9 |
| 2015 | 6 | 454.7 | 1.7 | -- | 456.4 | 114.4 | 570.8 |
| 2016 | 16 | 1066.5 | 20.0 | 8.5 | 1095.0 | 368.4 | 1463.4 |
| 2017 | 12 | 788.7 | 5.0 | 8.4 | 802.1 | 228.2 | 1030.3 |
| 2018 | 6 | 397.8 | 3.4 | -- | 401.2 | 85.0 | 486.2 |
| 2019 | 7 | 646.7 | 3.4 | -- | 650.1 | 85.9 | 736.0 |
| 2020 | 8 | 561.2 | -- | -- | 561.2 | 339.5 | 900.7 |
| 2021 | 5 | 370.9 | -- | -- | 370.9 | 255.0 | 625.9 |
| 2022 | 5 | 374.6 | -- | -- | 374.6 | 257.4 | 632.0 |
| 2023 | 3 | 286.0 | -- | -- | 286.0 | 162.4 | 448.4 |
| Subtotal | 131 | 9574.2 | 174.5 | 29.6 | 9778.3 | 2838.0 | 12616.3 |

Cost Quantity Information**3010 | Procurement | Aircraft Procurement, Air Force**

| Fiscal Year | Quantity | End Item Recurring Flyaway (Aligned with Quantity) BY 2009 \$M |
|--------------------|-----------------|---|
| 2008 | 7 | 525.4 |
| 2009 | 13 | 773.4 |
| 2010 | 3 | 253.4 |
| 2011 | 9 | 537.1 |
| 2012 | 10 | 787.0 |
| 2013 | 11 | 827.1 |
| 2014 | 10 | 895.9 |
| 2015 | 6 | 382.6 |
| 2016 | 16 | 1084.7 |
| 2017 | 12 | 810.2 |
| 2018 | 6 | 398.5 |
| 2019 | 7 | 634.1 |
| 2020 | 8 | 628.3 |
| 2021 | 5 | 371.6 |
| 2022 | 5 | 375.3 |
| 2023 | 3 | 289.6 |
| Subtotal | 131 | 9574.2 |

Annual Funding TY\$**0300 | Procurement | Procurement, Defense-Wide**

| Fiscal Year | Quantity | End Item Recurring Flyaway TY \$M | Non End Item Recurring Flyaway TY \$M | Non Recurring Flyaway TY \$M | Total Flyaway TY \$M | Total Support TY \$M | Total Program TY \$M |
|--------------------|-----------------|--|--|---|-------------------------------------|-------------------------------------|-------------------------------------|
| 2008 | -- | -- | -- | 56.9 | 56.9 | -- | 56.9 |
| 2009 | -- | -- | -- | 9.5 | 9.5 | -- | 9.5 |
| 2010 | -- | -- | -- | 1.5 | 1.5 | -- | 1.5 |
| 2011 | -- | -- | -- | 2.0 | 2.0 | -- | 2.0 |
| 2012 | -- | -- | -- | 18.7 | 18.7 | -- | 18.7 |
| Subtotal | -- | -- | -- | 88.6 | 88.6 | -- | 88.6 |

Annual Funding BY\$**0300 | Procurement | Procurement, Defense-Wide**

| Fiscal Year | Quantity | End Item Recurring Flyaway BY 2009 \$M | Non End Item Recurring Flyaway BY 2009 \$M | Non Recurring Flyaway BY 2009 \$M | Total Flyaway BY 2009 \$M | Total Support BY 2009 \$M | Total Program BY 2009 \$M |
|--------------------|-----------------|---|---|--|--|--|--|
| 2008 | -- | -- | -- | 56.7 | 56.7 | -- | 56.7 |
| 2009 | -- | -- | -- | 9.3 | 9.3 | -- | 9.3 |
| 2010 | -- | -- | -- | 1.5 | 1.5 | -- | 1.5 |
| 2011 | -- | -- | -- | 1.9 | 1.9 | -- | 1.9 |
| 2012 | -- | -- | -- | 17.5 | 17.5 | -- | 17.5 |
| Subtotal | -- | -- | -- | 86.9 | 86.9 | -- | 86.9 |

Annual Funding TY\$
3300 | MILCON | Military Construction, Air
Force

| Fiscal Year | Total Program TY \$M |
|------------------------|-------------------------------------|
| 2010 | 22.6 |
| 2011 | 35.8 |
| 2012 | 12.5 |
| 2013 | 8.5 |
| 2014 | -- |
| 2015 | -- |
| 2016 | 24.0 |
| Subtotal | 103.4 |

Annual Funding BY\$**3300 | MILCON | Military Construction, Air Force**

| Fiscal Year | Total Program BY 2009 \$M |
|--------------------|--------------------------------------|
| 2010 | 21.8 |
| 2011 | 33.8 |
| 2012 | 11.6 |
| 2013 | 7.7 |
| 2014 | -- |
| 2015 | -- |
| 2016 | 20.4 |
| Subtotal | 95.3 |

Annual Funding TY\$
0500 | MILCON | Military Construction,
Defense-Wide

| Fiscal Year | Total Program TY \$M |
|------------------------|-------------------------------------|
| 2010 | 14.2 |
| 2011 | 37.3 |
| 2012 | 94.0 |
| Subtotal | 145.5 |

Annual Funding BY\$
0500 | MILCON | Military Construction,
Defense-Wide

| Fiscal Year | Total Program BY 2009 \$M |
|------------------------|--|
| 2010 | 13.5 |
| 2011 | 34.7 |
| 2012 | 86.0 |
| Subtotal | 134.2 |

Low Rate Initial Production

| | Initial LRIP Decision | Current Total LRIP |
|--------------------------|------------------------------|---------------------------|
| Approval Date | 4/12/2010 | 5/9/2011 |
| Approved Quantity | 46 | 52 |
| Reference | Milestone C ADM | Milestone C ADM |
| Start Year | 2008 | 2008 |
| End Year | 2013 | 2013 |

The Current Total LRIP Quantity is more than 10% of the total production quantity due to user's urgent need and existing capability of the aircraft production line.

The May 2011 Acquisition Decision Memorandum (ADM) approved an updated LRIP quantity of 52 aircraft.

Foreign Military Sales

None

Nuclear Costs

None

Unit Cost**Unit Cost Report**

| | BY2009 \$M | BY2009 \$M | |
|-----------|---|------------------------------------|----------------|
| Unit Cost | Current UCR Baseline (OCT 2013 APB) | Current Estimate (DEC 2013 SAR) | BY % Change |

Program Acquisition Unit Cost (PAUC)

| | | | |
|-----------|---------|---------|-------|
| Cost | 13150.2 | 13078.1 | |
| Quantity | 131 | 131 | |
| Unit Cost | 100.383 | 99.833 | -0.55 |

Average Procurement Unit Cost (APUC)

| | | | |
|-----------|---------|---------|-------|
| Cost | 12665.9 | 12703.2 | |
| Quantity | 131 | 131 | |
| Unit Cost | 96.686 | 96.971 | +0.29 |

| | BY2009 \$M | BY2009 \$M | |
|-----------|--|------------------------------------|----------------|
| Unit Cost | Original UCR Baseline (MAR 2010 APB) | Current Estimate (DEC 2013 SAR) | BY % Change |

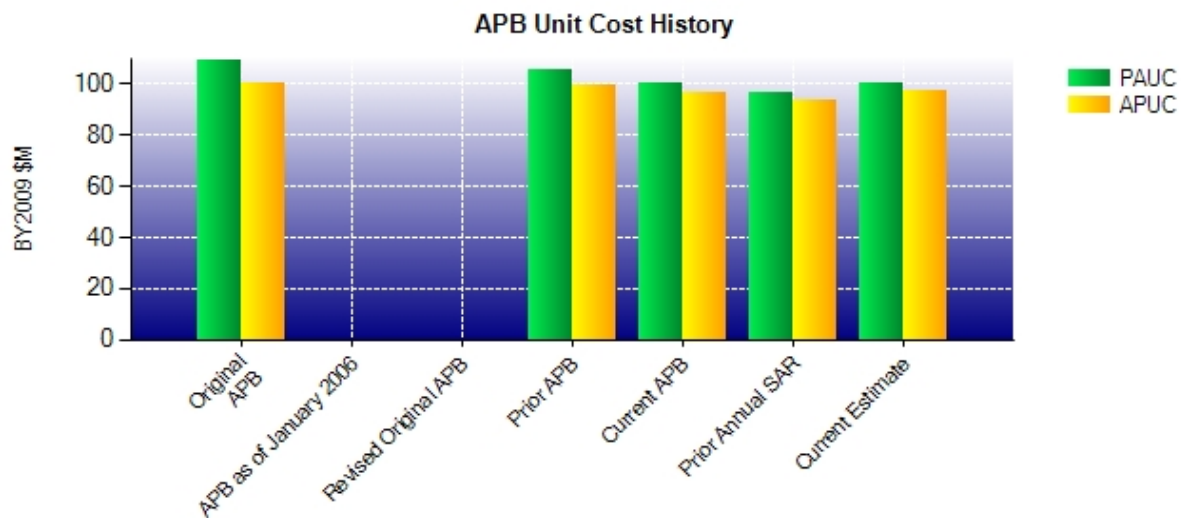
Program Acquisition Unit Cost (PAUC)

| | | | |
|-----------|---------|---------|-------|
| Cost | 8078.1 | 13078.1 | |
| Quantity | 74 | 131 | |
| Unit Cost | 109.164 | 99.833 | -8.55 |

Average Procurement Unit Cost (APUC)

| | | | |
|-----------|---------|---------|-------|
| Cost | 7436.0 | 12703.2 | |
| Quantity | 74 | 131 | |
| Unit Cost | 100.486 | 96.971 | -3.50 |

Unit Cost History



| | Date | BY2009 \$M | | TY \$M | |
|------------------------|----------|------------|---------|---------|---------|
| | | PAUC | APUC | PAUC | APUC |
| Original APB | MAR 2010 | 109.164 | 100.486 | 118.180 | 108.841 |
| APB as of January 2006 | N/A | N/A | N/A | N/A | N/A |
| Revised Original APB | N/A | N/A | N/A | N/A | N/A |
| Prior APB | MAR 2011 | 105.002 | 99.739 | 116.920 | 111.256 |
| Current APB | OCT 2013 | 100.383 | 96.686 | 117.364 | 113.256 |
| Prior Annual SAR | DEC 2012 | 96.653 | 93.509 | 113.035 | 109.595 |
| Current Estimate | DEC 2013 | 99.833 | 96.971 | 115.247 | 112.150 |

SAR Unit Cost History

Current SAR Baseline to Current Estimate (TY \$M)

| Initial PAUC Prod Est | Changes | | | | | | | | PAUC Current Est |
|--------------------------|---------|--------|--------|-------|---------|-------|--------|--------|---------------------|
| | Econ | Qty | Sch | Eng | Est | Oth | Spt | Total | |
| 118.180 | 2.280 | -3.193 | -1.415 | 2.167 | -16.322 | 0.000 | 13.550 | -2.933 | 115.247 |

Current SAR Baseline to Current Estimate (TY \$M)

| Initial APUC Prod Est | Changes | | | | | | | | APUC Current Est |
|----------------------------------|----------------|------------|------------|------------|------------|------------|------------|--------------|-----------------------------|
| | Econ | Qty | Sch | Eng | Est | Oth | Spt | Total | |
| 108.841 | 2.209 | 0.871 | -1.415 | 2.167 | -14.073 | 0.000 | 13.550 | 3.309 | 112.150 |

SAR Baseline History

| Item/Event | SAR Planning Estimate (PE) | SAR Development Estimate (DE) | SAR Production Estimate (PdE) | Current Estimate |
|-----------------------------|---|--|--|-----------------------------|
| Milestone A | N/A | N/A | N/A | N/A |
| Milestone B | N/A | N/A | N/A | N/A |
| Milestone C | N/A | N/A | FEB 2010 | APR 2010 |
| RAA | N/A | N/A | DEC 2012 | DEC 2012 |
| Total Cost (TY \$M) | N/A | N/A | 8745.3 | 15097.3 |
| Total Quantity | N/A | N/A | 74 | 131 |
| Prog. Acq. Unit Cost (PAUC) | N/A | N/A | 118.180 | 115.247 |

Cost Variance

| Summary Then Year \$M | | | | |
|-------------------------|-------|---------|--------|---------|
| | RDT&E | Proc | MILCON | Total |
| SAR Baseline (Prod Est) | 154.3 | 8054.2 | 536.8 | 8745.3 |
| Previous Changes | | | | |
| Economic | +2.0 | +368.4 | +10.3 | +380.7 |
| Quantity | -- | +6318.0 | -- | +6318.0 |
| Schedule | -- | -47.5 | -- | -47.5 |
| Engineering | -- | -- | -- | -- |
| Estimating | +16.0 | -1285.3 | -268.7 | -1538.0 |
| Other | -- | -- | -- | -- |
| Support | -- | +949.1 | -- | +949.1 |
| Subtotal | +18.0 | +6302.7 | -258.4 | +6062.3 |
| Current Changes | | | | |
| Economic | -1.0 | -79.0 | -2.0 | -82.0 |
| Quantity | -- | -- | -- | -- |
| Schedule | -- | -137.9 | -- | -137.9 |
| Engineering | -- | +283.9 | -- | +283.9 |
| Estimating | -14.5 | -558.2 | -27.5 | -600.2 |
| Other | -- | -- | -- | -- |
| Support | -- | +825.9 | -- | +825.9 |
| Subtotal | -15.5 | +334.7 | -29.5 | +289.7 |
| Total Changes | +2.5 | +6637.4 | -287.9 | +6352.0 |
| CE - Cost Variance | 156.8 | 14691.6 | 248.9 | 15097.3 |
| CE - Cost & Funding | 156.8 | 14691.6 | 248.9 | 15097.3 |

| Summary Base Year 2009 \$M | | | | |
|----------------------------|-------|---------|--------|---------|
| | RDT&E | Proc | MILCON | Total |
| SAR Baseline (Prod Est) | 148.0 | 7436.0 | 494.1 | 8078.1 |
| Previous Changes | | | | |
| Economic | -- | -- | -- | -- |
| Quantity | -- | +5247.2 | -- | +5247.2 |
| Schedule | -- | -104.5 | -- | -104.5 |
| Engineering | -- | -- | -- | -- |
| Estimating | +12.1 | -1097.1 | -242.3 | -1327.3 |
| Other | -- | -- | -- | -- |
| Support | -- | +768.1 | -- | +768.1 |
| Subtotal | +12.1 | +4813.7 | -242.3 | +4583.5 |
| Current Changes | | | | |
| Economic | -- | -- | -- | -- |
| Quantity | -- | -- | -- | -- |
| Schedule | -- | -- | -- | -- |
| Engineering | -- | +261.1 | -- | +261.1 |
| Estimating | -14.7 | -449.6 | -22.3 | -486.6 |
| Other | -- | -- | -- | -- |
| Support | -- | +642.0 | -- | +642.0 |
| Subtotal | -14.7 | +453.5 | -22.3 | +416.5 |
| Total Changes | -2.6 | +5267.2 | -264.6 | +5000.0 |
| CE - Cost Variance | 145.4 | 12703.2 | 229.5 | 13078.1 |
| CE - Cost & Funding | 145.4 | 12703.2 | 229.5 | 13078.1 |

Previous Estimate: December 2012

| RDT&E | \$M | |
|---|------------------|------------------|
| | Base Year | Then Year |
| Current Change Explanations | | |
| Revised escalation indices. (Economic) | N/A | -1.0 |
| Revised estimate due to sequestration reductions in FY 2012. (Estimating) | -6.6 | -6.9 |
| Refinement of prior year actuals and estimate methodology for Block 7/8.1. (Estimating) | -8.5 | -8.0 |
| Adjustment for current and prior escalation. (Estimating) | +0.4 | +0.4 |
| RDT&E Subtotal | -14.7 | -15.5 |

| Procurement | \$M | |
|--|------------------|------------------|
| | Base Year | Then Year |
| Current Change Explanations | | |
| Revised escalation indices. (Economic) | N/A | -79.0 |
| Adjustment for current and prior escalation. (Estimating) | +23.0 | +25.0 |
| Acceleration of procurement buy profile in prior years and within the Future Years Defense Program. (Schedule) | 0.0 | -137.9 |
| Inclusion of modification funding to include common core. (Engineering) | +174.4 | +195.3 |
| Inclusion of non-recurring engineering for Special Operations Command. (Engineering) | +86.7 | +88.6 |
| Revised estimate to reflect actuals. (Estimating) | -83.1 | -89.6 |
| Revised estimate to align with Full Rate Production Service Cost Position. (Estimating) | -389.5 | -493.6 |
| Adjustment for current and prior escalation. (Support) | +5.6 | +6.3 |
| Decrease in Other Support due to approval of the multi-year contract which resulting in diminishing manufacturing resources. (Support) | -11.3 | -13.3 |
| Increase in Initial Spares due to a \$73M increase in requirement, a \$303M database error, and a \$457M for Block Upgrade (Block 8.1 inline incorporation) previously categorized as Other Support that should have been moved to Flyaway but was inadvertently added to initial spares. The database error and funding movement from Initial Spares to Flyaway will be accomplished in the FY 2016 budget cycle. (Support) | +647.7 | +832.9 |
| Procurement Subtotal | +453.5 | +334.7 |

| MILCON | \$M | |
|---|------------------|------------------|
| | Base Year | Then Year |
| Current Change Explanations | | |
| Revised escalation indices. (Economic) | N/A | -2.0 |
| Adjustment for current and prior escalation. (Estimating) | +1.4 | +1.5 |
| Revised estimate to align with funded MILCON requirements. (Estimating) | -20.2 | -24.8 |
| Revised estimate to align with funded MILCON requirements. (Estimating) | -3.5 | -4.2 |
| MILCON Subtotal | -22.3 | -29.5 |

Contracts

General Contract Memo

The HC/MC-130 Recapitalization program uses the existing C-130J Five Year Ordering Contracts.

Appropriation: Procurement

| | |
|-----------------------|--|
| Contract Name | HC/MC-130J Production (FYOC III) |
| Contractor | Lockheed Martin |
| Contractor Location | 86 South Cobb Drive Marietta, GA 39963-0290 |
| Contract Number, Type | FA8625-06-C-6456, FFP |
| Award Date | June 13, 2008 |
| Definitization Date | June 15, 2010 |

| Initial Contract Price (\$M) | | | Current Contract Price (\$M) | | | Estimated Price at Completion (\$M) | |
|------------------------------|---------|-----|------------------------------|---------|-----|-------------------------------------|-----------------|
| Target | Ceiling | Qty | Target | Ceiling | Qty | Contractor | Program Manager |
| 470.0 | N/A | 6 | 2219.4 | N/A | 31 | 2219.4 | 2219.4 |

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to the increased number of aircraft and associated logistic support.

Cost and Schedule Variance Explanations

Cost and Schedule Variance reporting is not required on this FFP contract.

Appropriation: Procurement

Contract Name **HC/MC-130J Production (FYOC IV)**
Contractor Lockheed Martin
Contractor Location 86 South Cobb Drive
Marietta, GA 39963-0290
Contract Number, Type FA8625-11-C-6597, FFP
Award Date March 17, 2011
Definitization Date March 17, 2011

| Initial Contract Price (\$M) | | | Current Contract Price (\$M) | | | Estimated Price at Completion (\$M) | |
|------------------------------|---------|-----|------------------------------|---------|-----|-------------------------------------|-----------------|
| Target | Ceiling | Qty | Target | Ceiling | Qty | Contractor | Program Manager |
| 2.2 | N/A | 0 | 466.3 | N/A | 11 | 466.3 | 466.3 |

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to increased number of aircraft and associated logistics support.

Cost and Schedule Variance Explanations

Cost and Schedule Variance reporting is not required on this FFP contract.

Deliveries and Expenditures

| Delivered to Date | Plan to Date | Actual to Date | Total Quantity | Percent Delivered |
|----------------------------------|---------------------|-----------------------|-----------------------|--------------------------|
| Development | 0 | 0 | 0 | -- |
| Production | 31 | 31 | 131 | 23.66% |
| Total Program Quantity Delivered | 31 | 31 | 131 | 23.66% |

| Expended and Appropriated (TY \$M) | | | |
|---|---------|----------------------------|--------|
| Total Acquisition Cost | 15097.3 | Years Appropriated | 7 |
| Expended to Date | 2546.3 | Percent Years Appropriated | 43.75% |
| Percent Expended | 16.87% | Appropriated to Date | 6515.9 |
| Total Funding Years | 16 | Percent Appropriated | 43.16% |

The above data is current as of 2/27/2014.

Operating and Support Cost

HC/MC-130 Recap

Assumptions and Ground Rules

Cost Estimate Reference:

The O&S cost estimate is documented in the February 2013 Program Office Estimate (POE).

Sustainment Strategy:

Two level maintenance is planned for fleet of 131 aircraft. Aircraft will have a 30 year service life.

Antecedent Information:

The HC/MC-130 Recap program recapitalizes several antecedents, including the HC-130P/N and MC-130E/H/P fleets. It also provides aircraft which, after modification in a separate Special Operations Command (SOCOM) program, recapitalize the AC-130H/U/W gunship fleet. The total of these antecedents was 131 aircraft before retirements began.

Antecedent aircraft were designed for a 30-year service life; multiple center wing box replacements and other actions extended that life to 48 years for the last of the now-retired MC-130E. MC-130P retirement planning also reflects service lives of up to 48 years after similar extensions. O&S cost comparisons are based on the MC-130P.

Antecedent annual costs of the MC-130P are listed. Antecedent annual cost information is based on analysis of Air Force Total Ownership Cost 2010 data for HC/MC-130P. No MC-130P total O&S estimate is available.

| Unitized O&S Costs BY2009 \$M | | | |
|--------------------------------|---|--|--|
| Cost Element | HC/MC-130 Recap Average Annual Aircraft Cost | | MC-130P (Antecedent) Average Annual Aircraft Cost |
| Unit-Level Manpower | 4.093 | | 4.500 |
| Unit Operations | 0.951 | | 1.700 |
| Maintenance | 1.831 | | 3.500 |
| Sustaining Support | 0.457 | | 0.400 |
| Continuing System Improvements | 0.756 | | 0.600 |
| Indirect Support | 2.093 | | 1.100 |
| Other | 0.000 | | 0.000 |
| Total | 10.181 | | 11.800 |

Unitized Cost Comments:

Aircraft unitized cost based on an average annual operating cost over a 30 year system life.

| | Total O&S Cost \$M | | | |
|-----------|---|---------|------------------|----------------------|
| | Current Production APB Objective/Threshold | | Current Estimate | |
| | HC/MC-130 Recap | | HC/MC-130 Recap | MC-130P (Antecedent) |
| Base Year | 40008.6 | 44009.5 | 40008.6 | N/A |
| Then Year | 58602.4 | N/A | 58602.4 | 0.0 |

Total O&S Costs Comments:

Average Annual O&S Costs per Aircraft were calculated as Total O&S Cost / useful life / quantity. This replaces the current first sentence. Since DAMIR truncates at third decimal point approx \$3M variance is due to a rounding error. Actual totals are \$10.1803M in BY. O&S BY 2009 cost increased from the 2012 SAR due to revision of estimate to align with Full Rate Production Service Cost Position.

| Category | O&S Cost Variance | |
|---|-----------------------|--|
| | Base Year 2009 \$M | Change Explanations |
| Prior SAR Total O&S Estimate December 2012 | 37,333.6 | |
| Cost Estimating Methodology | +666.6 | Price escalation applied starting Fiscal Year 2013 versus after production shutdown (\$1,277.7). Software Maintenance and modification based on AFCAA Cost Estimating Relationship versus software maintenance augmented by hardware cost factor (-\$611.1). |
| Cost Data Update | +3,582.7 | Inclusion of weapons system trainer maintenance costs (\$448.3) and refined Base Operating Support costs (\$3,134.4). |
| Labor Rate | -557.6 | Updated Manpower Estimate Report. |
| Energy Rate | -1,016.7 | Programmed fuels costs versus Defense Logistics Agency standard fuel prices. |
| Technical Input | 0.0 | |
| Programmatic/Planning Factors | 0.0 | |
| Other | 0.0 | |
| Total Changes | +2,675.0 | |
| Current Estimate | 40,008.6 | |

Disposal Costs:

Disposal and demilitarization costs are not included above.